



## **MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
July 23, 2013  
980 9<sup>th</sup> Street, Conference Center, 2nd Floor  
Sacramento, California 95814

### **1. Call To Order and Roll Call.**

Chairman Rossi called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:30 p.m.

The following Board members were in attendance:

Michael Rossi, Chair of the I-Bank Board.

Brian Annis represented the Secretary of the California State Transportation Agency.

Tom Dyer represented the Director of the Department of Finance.

Katie Carroll represented the State Treasurer.

The following Board member was not in attendance:

D. Everett Rice, Governor's Appointee

The following I-Bank staff members were in attendance:

Teveia Barnes, Roma Cristia-Plant (Secretary), Joel Tokimitsu and Thomas Tengan.

### **2. Executive Director's report on the Governor's Reorganization Plan (GRP) impacts to the I-Bank.**

Ms. Barnes gave a report and informed the Board of the following GRP impacts:

- On July 1, 2013, the I-Bank moved in State government from the former Business, Transportation and Housing Agency to within the Governor's Office of Business and Economic Development.
- The chair of the I-Bank Board changed from the Agency Secretary of the Business, Housing and Transportation Agency to the Director of Governor's Office of Business and Economic Development.
- The Agency Secretary of the State and Consumer Services Agency is no longer a member of the I-Bank Board.
- The Agency Secretary of the California State Transportation Agency is now a member of the I-Bank Board.
- The Director of the Governor's Office of Business and Economic Development delegated the I-Bank Board chair responsibilities to Michael E. Rossi.
- Mr. Rossi designated the Secretary of the California State Transportation Agency, or his designee, as the Vice Chair of the Board, and Roma Cristia-Plant as Secretary of the Board, and several other I-Bank staff to serve as Secretary in her absence.

**Action Item:**

- 3. Adopt Resolution 13-08 to amend the I-Bank Bylaws to reflect that, pursuant to legislation implementing the GRP, the I-Bank is now located within the Governor's Office of Business and Economic Development and to reflect related changes to the I-Bank Board members, and to make other minor technical updates.**

Ms. Barnes briefly stated that due to the GRP, the I-Bank Bylaws need to be amended to update the board member listing and to make other minor technical amendments. Chairman Rossi called for any questions or comments from the Board or the public. Hearing none, Chairman Rossi entertained a motion to approve Resolution No. 13-08. Mr. Dyer moved to approve the resolution and Mr. Annis seconded the motion. The Secretary called the roll, and Mr. Annis, Mr. Dyer and Ms. Carroll approved the resolution. Mr. Rossi did not vote. The Secretary confirmed that the resolution passed.

**Information Item:**

- 4. Executive Director's report on the status of I-Bank activities.**

Ms. Barnes gave a report on the status of I-Bank activities and informed the Board of the following:

- The I-Bank received a second Government Finance Officer's Certificate of Achievement for the I-Bank's 2011-2012 Comprehensive Annual Financial Report. The award was presented to the Board and Julie Talbot, Betty Daquiaoag-Correa, Tracey Thompson and Roma Cristia-Plant were congratulated for their outstanding performance.
- The I-Bank has been notified by the Internal Revenue Service (IRS) that the Variable Rate Demand Revenue Bonds (St Margaret's Episcopal School) Series 2008, the Variable Rate Demand Revenue Bonds (Sage Hill Project) Series 2008, and the Variable Rate Demand Industrial Development Revenue Bonds (M.A. Silva Corks, USA, LLC Project) Series 2006 were selected for a routine audit, and that responses were provided or being provided to the IRS.
- On July 16<sup>th</sup>, staff closed the \$40 million tax-exempt, 501(c)(3) conduit bond financing for the Wilshire Boulevard Temple that was approved by the Board at the meeting held on May 21, 2013.
- The I-Bank has retained Macias Gini & O'Connell LLP to conduct an independent financial audit of the I-Bank's financial statement for the period ending June 30, 2013.

**Consent Item:**

- 5. Approve minutes from the meeting held on June 18, 2013.**

Chairman Rossi called for questions or comments from the Board and the public. Mr. Annis indicated that while he was not at the previous meeting he spoke to his colleague who was in attendance, and he was sufficiently prepared to vote on the minutes from the prior meeting. Chairman Rossi entertained a motion to approve the consent item. Mr. Dyer moved to approve the minutes and Mr. Annis seconded the motion. The Secretary called the roll. Mr. Annis, Mr. Dyer and Ms. Carroll approved the resolution, and Chairman Rossi abstained. The Secretary confirmed that the minutes were approved.

**Action Items:**

- 6. Resolution No. 13-09 approving issuance of revenue bonds in an amount not to exceed \$210,000,000 to refund the outstanding California Infrastructure and Economic Development Bank Revenue Bonds, Series 2009A, initially issued for the benefit of the California Independent System Operator and used to finance and refinance an eligible project located in the City of Folsom and the City of Alhambra.**

Mr. Tokimitsu presented a brief staff report. Mr. Tokimitsu stated that no comments were received during the TEFRA hearing, and the I-Bank is not aware of any opposition to the financing. Mr. Tokimitsu then introduced Ms. Lisa Quateman, with Posinelli, bond counsel, Mr. John Wang, with Orrick Herrington and Sutcliffe, special counsel and Mr. Ryan Seghesio, Mr. Kevin King and Ms. Jan Cogdill with the California Independent System Operator.

Chairman Rossi called for any questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 13-09. Mr. Annis moved to approve the resolution and Mr. Dyer seconded the motion. The Secretary called the roll. Chairman Rossi, Mr. Annis, Mr. Dyer and Ms. Carroll approved the resolution, and the Secretary confirmed that the resolution passed.

- 7. Resolution No. 13-10 approving entry into a Loan Agreement and other documents to effect a private placement of tax exempt obligations in an amount not to exceed \$56,000,000 to refund the outstanding California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds, Series 2009A, Series 2009B and Series 2009C, initially issued for the benefit of Pueblo Serra Worship Holdings and used to finance and refinance an eligible project located in the City of San Juan Capistrano.**

Mr. Tokimitsu presented a brief staff report. Mr. Tokimitsu introduced Mr. Rich Meyer, President and Principal of the J Serra Catholic High School, and Mr. Sam Balisy, with Kutak Rock, bond counsel.

Chairman Rossi called for any questions or comments from the Board or the public. Mr. Tokimitsu responded to a question from Mr. Dyer and confirmed that since J Serra Catholic High School is a pervasively sectarian entity, bond counsel was instructed to examine the financing documents and the relevant facts of the borrower, and based on its analysis of the law, concluded that the issuance of the tax-exempt obligations for the borrower does not violate constitutional prohibitions. Chairman Rossi entertained a motion to approve Resolution No. 13-10. Mr. Dyer moved to approve the resolution and Ms. Carroll seconded the motion. The Secretary called the roll. Chairman Rossi, Mr. Annis, Mr. Dyer and Ms. Carroll approved the resolution, and the Secretary confirmed that the resolution passed.

8. **Resolution No. 13-11 approving issuance of a combination of publicly offered revenue bonds and privately placed tax exempt obligations, in an aggregate amount not to exceed \$350,000,000 to refund the outstanding California Statewide Communities Development Authority Refunding Revenue Bonds, Series 2008A, Series 2008B, Series 2008C, Series 2008D and Series 2008E initially issued for the benefit of the Museum Associates, doing business as the Los Angeles County Museum of Art and used to finance and refinance an eligible project located in the City of Los Angeles.**

Mr. Tokimitsu presented a brief staff report. Mr. Tokimitsu stated that no comments were received during the TEFRA hearing, and the I-Bank is not aware of any opposition to the financing. Mr. Tokimitsu then introduced Ms. Ann Rowland, with the Los Angeles County Museum of Art, Mr. Sean Tierney, with Hawkins, Delafield and Wood, bond counsel, and Mr. Richard Chisolm and Ms. Jessica Meksavan, with Wells Fargo Securities,, underwriter.

Chairman Rossi called for any questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 13-11. Mr. Annis moved to approve the resolution and Mr. Dyer seconded the motion. The Secretary called the roll. Mr. Annis, Mr. Dyer and Ms. Carroll approved the resolution, and Chairman Rossi abstained. The Secretary confirmed that the resolution passed.

9. **Resolution No. 13-12 approving lending Infrastructure State Revolving Fund Program funds to the Capital Area Development Authority in an amount not to exceed \$600,000 to finance an eligible project known as the 16<sup>th</sup> and P/Powerhouse Alley Infrastructure Improvement Project located in the City of Sacramento.**

Resolution No. 13-12 was removed from the agenda.

**Reporting/Non-Action Items:**

10. **I-Bank Monthly Investment Transaction Report for Month Ending June30, 2013.**
11. **I-Bank Quarterly Investment Report for Quarter Ending June 30, 2013.**
12. **Actions taken by an assignee of the I-Bank's Executive Director pursuant to authority delegated by the Board:**
  - a. **In connection with the California Infrastructure and Economic Development Bank Revenue Bonds, Series 2008A, initially issued for the benefit of the California Independent System Operator, the Executive Director approved a supplemental tax certificate in connection with the sale of property financed or refinanced with the proceeds of the Series 2008A bonds.**

There was no discussion from the Board members or the public on items 10 and 11. Ms. Barnes provided the Board with a brief description of the amendment for item 12, and stated that there was no release of collateral upon the sale of property. There were no questions from the Board members or the public on this item.

**Discussion Items.**

Chairman Rossi called for any other business. There were no comments from the public or the Board members except Chairman Rossi. Chairman Rossi shared his thoughts about future plans for the I-Bank, including that he intends to work with Ms. Barnes, Mr. Rojas and the competent staff at the I-Bank to make the I-Bank a more efficient organization that is more pertinent to the infrastructure needs of the state. He stated that there will be changes to the approach to how the I-Bank operates in an effort to arrive at a more efficient financial organization, that the Board will be able to participate in the process, and that he looks forward to working with the Board and staff.

**Public Comment.**

Chairman Rossi called for any public comment; there was none.

**Adjournment.**

Chairman Rossi declared the meeting adjourned at approximately 2:00 p.m.